

## AMENDMENTS TO THE CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of claims:

1. (currently amended) A method for transfer of employee stock options, the method comprising:

purchasing all rights to an employee stock option from an employee holding the employee stock option, wherein purchase does not require exercise of the employee stock option;  
and

hedging the employee stock option.

2. (original) A method according to claim 1, further comprising determining a value of the employee stock option using an option pricing formula.

3. (original) A method according to claim 2, wherein the option pricing formula is selected from the group consisting of Black-Scholes, binomial and trinomial methods.

4. (original) A method according to claim 1, further comprising registering an offering of securities underlying the employee stock option.

5. (original) A method according to claim 1, further comprising issuing the employee stock option.

6. (original) A method according to claim 1, further comprising either one time or periodically repeating the purchasing and hedging.

7. (original) A method according to claim 6, wherein the term for periodic repeating is selected from the group consisting of monthly, quarterly, semi-annually and annually.

8. (original) A method according to claim 1, wherein hedging the employee stock option includes short selling of securities and/or futures contracts.

9. (original) A method according to claim 1, wherein hedging the employee stock option includes buying and selling securities that underlie the employee stock option.

10. (original) A method according to claim 1, wherein hedging the employee stock option includes buying and selling of securities that underlie the employee stock option to rebalance the hedge position.

11. (currently amended) A method for transfer of employee stock options, the method comprising:

determining an economic value of an employee stock option, the employee stock option held by an employee, based on an option pricing formula;

making the economic value available to the employee holder ~~holders~~ of the

employee stock option; and

providing the economic value to the employee holder of the employee stock option in exchange for all rights in ~~exchanging the employee stock option for the economic value.~~

12. (original) A method according to claim 11, wherein the economic value is a cash value.

13. (original) A method according to claim 11, wherein the economic value is a number of shares of stock.

14. (original) A method according to claim 11, wherein exchanging occurs within a predetermined window of time.

15. (original) A method according to claim 11, wherein exchanging occurs periodically.

16. (original) A method according to claim 11, wherein the option pricing formula is selected from the group consisting of Black-Scholes, binomial and trinomial methods.

17. (currently amended) A method for issue of employee stock options, the method comprising:

issuing an employee stock option with transfer rights that allow transfer of the

employee stock option to a third party; and

establishing a beginning date for the transfer rights at a predetermined date following the date of issue of the employee stock option, wherein transfer rights of the employee stock option are distinct from exercise rights of the employee stock option, and the transfer rights allow transfer of all rights in the employee stock option to the third party in exchange for value without requiring exercise of the employee stock option.

18. (original) A method according to claim 17, wherein the employee stock option includes a vesting date and the beginning date is later than the vesting date.

19. (currently amended) A method for transfer of employee stock options, the method comprising:

determining a cash value of an underwater employee stock option based on the Black-Scholes option pricing formula;

publishing the cash value; and

exchanging all rights in the underwater employee stock option for the cash value during a predetermined window of time, wherein exchange of the employee stock option does not require exercise of the employee stock option.

20. (currently amended) A method for hedging employee stock options, the method comprising:

exchanging an economic value for all rights in an employee stock option, the economic value based on an option pricing formula, wherein exchange of the employee stock

option does not require exercise of the employee stock option; and

hedging the employee stock option with a future.

21. (original) A method according to claim 20, further comprising:

borrowing stock;

purchasing a 1-delta amount of stock; and

selling a 1-delta amount of stock.

22. (original) A method according to claim 20, further comprising determining

whether it is optimal to early exercise the future.

23. (original) A method according to claim 20, further comprising determining

whether the employee stock option is in the money.

24. (original) A method according to claim 20, further comprising exercising

the employee stock option.

25. (original) A method according to claim 20, further comprising closing out

the future position.

26. (original) A method according to claim 20, further comprising delivering a

prospectus.

27. (currently amended) A method for hedging employee stock options, the method comprising:

exchanging an economic value for all rights in an employee stock option, the economic value based on an option pricing formula, wherein exchange of the employee stock option does not require exercise of the employee stock option; and

hedging the employee stock option with stock.

28. (original) A method according to claim 27, further comprising borrowing an amount of stock equal to the amount of the employee stock options received in the exchange.

29. (original) A method according to claim 27, further comprising selling a delta amount of stock.

30. (original) A method according to claim 27, further comprising:  
borrowing stock;  
purchasing a 1-delta amount of stock; and  
selling a 1-delta amount of stock.

31. (original) A method according to claim 27, further comprising:  
monitoring changes in delta; and  
buying or selling stock based on the changes in delta.